

HOSPITAL LIEN

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Darin G. Peterson

House Sponsor: _____

LONG TITLE**General Description:**

This bill makes changes to hospital liens.

Highlighted Provisions:

This bill:

- provides that a hospital lien may not be filed if the patient has accident or health insurance or workers' compensation;
- provides for a discount of a hospital bill for which a hospital lien is filed; and
- makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:****38-7-1**, as last amended by Laws of Utah 1996, Chapter 167**ENACTS:****38-7-1.1**, Utah Code Annotated 1953

*Be it enacted by the Legislature of the state of Utah:*Section 1. Section **38-7-1** is amended to read:

38-7-1. Lien of hospital on judgment, settlement, or compromise in certain accident cases authorized.

(1) As used in this section and Section 38-7-1.1, "hospital lien" means a lien filed under Subsection (2).

~~[(+)]~~ (2) (a) Every hospital located within the state that furnishes emergency, medical, or other service to a patient injured by reason of an accident ~~[not covered by workmen's compensation is entitled to]~~ may assert a lien upon that portion of the judgment, settlement, or compromise ~~[going or]~~ belonging to ~~[such]~~ the patient, or, in the case of death, to ~~[such]~~ the patient's heirs or personal representatives, less the amount paid by the patient, or on behalf of ~~[such]~~ the patient[:]; by heirs or personal representatives, for ~~[attorney's]~~ attorney fees, court costs, and other necessary expenses incidental to obtaining the judgment, settlement, or compromise[:~~provided, that~~].

(b) Other than a reduction in a judgment, settlement, or compromise under Section 38-7-1.1, no reduction of the asserted lien amount ~~[other than the amount paid by the patient, or such patient's heirs, or personal representatives for attorney's fees, court costs, and other necessary expenses incidental to litigation]~~ is allowed~~[, unless otherwise agreed to in writing by the lien claimant. The]~~.

(c) A hospital lien~~[, however, shall]~~ does not apply to any judgment, settlement, or compromise where the amount is \$100 or less.

(d) This ~~[subsection shall apply]~~ Subsection (2) applies to any hospital lien on file in the district court of the county on ~~[the effective date of this act. Liens on file with the office of the county clerk shall be transferred to the respective county district court on May 1, 1996]~~ or after March 22, 1997.

~~[(2) A]~~ (3) Notwithstanding Subsection (2), a hospital lien may be filed ~~[upon damages recovered, or to be recovered, either as a result of a judgment, or upon a contract of settlement or compromise,]~~ under this section for the amount of the reasonable, usual, and necessary hospital charges for treatment, care, and maintenance of the ~~[injured party]~~ patient in the hospital up to the date of payment of the damages[:], only if, at the time of treatment, the patient did not have:

(a) accident and health insurance, as defined in Section 31A-1-301; or

(b) workers' compensation under Title 34A, Chapter 2, Workers' Compensation Act.

59 Section 2. Section **38-7-1.1** is enacted to read:

60 **38-7-1.1. Reduction in a judgment based on hospital lien.**

61 (1) Before payment of a hospital lien occurs, the amount of the hospital bill on which
62 the hospital lien is based shall be discounted by an amount equal to the median discount
63 accepted by the hospital through all of the hospital's provider agreements with a health
64 insurance carrier.

65 (2) If a median discount under Subsection (1) cannot be ascertained, the amount of the
66 hospital bill shall be reduced by 25%.

Legislative Review Note

as of 2-13-08 10:49 AM

Office of Legislative Research and General Counsel

Fiscal Note

S.B. 255 - Hospital Lien

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments. Certain individuals and businesses may be impacted by changes contained in this bill.
